



STATE OF UTAH
NATURAL RESOURCES
Oil, Gas & Mining

Norman H. Bangerter, Governor
Dee C. Hansen, Executive Director
Dianne R. Nielson, Ph.D., Division Director

355 W. North Temple • 3 Triad Center • Suite 350 • Salt Lake City, UT 84180-1203 • 801-538-5340

February 14, 1986

Mr. Robert A. Malone, Director
Environmental Affairs
Kennecott
P. O. Box 11248
Salt Lake City, Utah 84147

Dear Mr. Malone:

Re: Tentative Approval for "Phase I" of Kennecott's Mining and Reclamation Plan Amendment, UCD Modernization Project, ACT/035/002, Salt Lake County, Utah

The Division has completed the technical review for "Phase I" of the mining and reclamation plan permit amendment for Kennecott's, Utah Copper Division (UCD) Modernization Project. Kennecott's February 10 and 13, 1986 responses to our February 7, 1986 deficiency letter has been determined adequate to proceed with issuance of tentative approval. The Division will also forward the public notice information to the local newspaper agency for publishing.

The Division is hereby issues tentatively approval for "Phase I" of the permit amendment. The overall project will be permitted in a two (2) phased approach. Each phase will be approved and published separately by the Division.

"Phase I" permitting involves construction of a new access road to the proposed site location for the new grinding/milling facility. Preliminary site grading and excavation work for foundations at the grinding/milling site will also be performed. The access road right-of-way encompasses 48 acres and the grinding/milling site involves approximately 115 acres.

No buildings or ancillary structures will be erected as part of "Phase I" construction activities. The remainder of the proposed development and construction will be approved as part of the "Phase II" permitting process for the modernization project.

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The Division will grant final approval and issue a permit to commence "Phase I" construction when the following conditions have been met:

- (1) Kennecott must provide a reclamation surety in the amount of \$86,860.00 for "Phase I" of the modernization project.

Note: The Division has revised Kennecott's February 10, 1986 reclamation cost estimate as follows:

Revised Bond Estimate:

1. Dozer cost for final site preparation did not include an operator (ripper attachment included in cost given).
2. Tractor and drill rental did not include an operator.
3. Broadcast seeding did not include manpower.

Equipment Operator: \$238.80/day, D-6 for 8.15 days = \$1946
\$238.80/day, Tractor/5.34 days = \$3221
\$ 22.80/day, Broadcast/4 hours = \$ 91

Therefore: subtotal = \$77,705
+ 10% contingency = 7,771
\$85,476 (1986 dollars)
Escalate @ 1.62% = \$86,860 (1987 dollars) to be posted.

- (2) Kennecott must provide a reorganized permit application package for "Phase I" activities. This will involve consolidating all of the "Phase I" submissions made thus far, into one comprehensive "stand alone" document.
- (3) Kennecott must provide a written acceptance to the following stipulations for "Phase I":

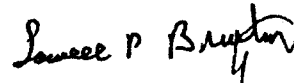
Stipulation M-3(2)(e) - LK, JL

1. Kennecott will consult with the Division of Oil, Gas and Mining to finalize specific details and time frames for the test plot program by July 1, 1986. Should results of the test plot program prove unsatisfactory, Kennecott will obtain and augment the disturbed sites with suitable substitute soil resources or provide alternative measures to assure compliance with state reclamation laws and regulations.

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The Division appreciates Kennecott's cooperation in completing this permitting activity. Should questions or concerns remain, please contact me or D. Wayne Hedberg of the permitting staff.

Sincerely,



Lowell P. Braxton
Administrator
Mineral Resource Development
and Reclamation Program

dwh
cc: Kenneth Alkema
Robert Morgan
Dianne Nielson
Ken May
Pam Grubaugh-Littig
Lynn Kunzler
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